

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2097 – SB 2490

March 17, 2014

SUMMARY OF ORIGINAL BILL: Designates certain state-owned parkland along I-440 Parkway between Belmont Boulevard and Interstate 65 in Davidson County, as the *Senator Douglas Henry Urban Conservation District* and directs the Department of Transportation (TDOT) to erect and maintain suitable signs at the intersection of Gale Lane and Leland Lane. Designating signs shall be erected only if the cost of the manufacture and installation of such signs is paid to TDOT from non-state funds within one year of the effective date of this bill. Prohibits such land from being developed for an interchange on or after the effective date of this bill.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Not Significant to State or Local Government – However, to the extent that non-state funds are received from a local government, there will be a one-time, permissive increase in local government expenditures of \$150.

SUMMARY OF AMENDMENT (014227): Deletes Section 2 of the original bill, which prohibits the property from being developed for an interchange. Encourages TDOT and the Department of Environment and Conservation to transfer all portions of the state's owned land along I-440 Parkway between Belmont Boulevard and Interstate 65 to the Metropolitan Government of Nashville and Davidson County (Metro Nashville) for the purpose of maintaining such property as parkland in perpetuity.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Not Significant to State or Local Government – However, to the extent that non-state funds are received from a local government, there will be a one-time, permissive increase in local government expenditures of \$150.

According to TDOT, the fair market value of the state-owned surplus property is \$7,805,000. If this property is transferred to Metro Nashville, the state will be prevented from selling it and recognizing consideration equal to the fair market value. Further, according to TDOT, Metro Nashville has indicated that it will require a grant from TDOT between \$1,800,000 and \$2,600,000 in

order to develop this property into parkland. To the extent that Metro Nashville is required to maintain the parkland, there will be a recurring transfer of state funds to local government of approximately \$10,000. If the state is required to maintain such land, any fiscal impact is estimated to be not significant.

Assumptions for the bill as amended:

- The cost to manufacture and erect one sign is \$150.
- To the extent that the state-owned property is transferred to Metro Nashville, the state will be prevented from selling any of this surplus property. According to TDOT, the fair market value of this property is estimated to be approximately \$7,805,000.
- This property is not currently considered parkland. According to TDOT, Metro Nashville has indicated that it will require grant funds of \$1,800,000 to \$2,600,000, to be provided by TDOT, if additional development is required to turn this property into parkland. Fiscal Review Committee staff has attempted to obtain input from Metro Nashville on this issue; however, no such input has been provided.
- To the extent that Metro Nashville is required to maintain the parkland, there will be a recurring transfer of state funds to local government of approximately \$10,000. If the state is required to maintain such land, any fiscal impact is estimated to be not significant.
- Any fiscal impact to TDEC is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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